

EXHIBIT 1

FILED BY _____ D.C.

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CARLOS JENKE
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IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA,
ex rel. Ven-A-Care of the
Florida Keys, Inc.,

Plaintiffs,

v.

Abbott Laboratories; [REDACTED]
[REDACTED] et al.,

Defendants.

Case No. 95-1354-Civ-Marcus

FILED UNDER SEAL

UNITED STATES'
STATUS REPORT

The United States presents to this Court, ex parte and under seal, its status report in the above-referenced case and states:

Substantial activity has occurred since the United States last brought this matter before the Court. For example, many meetings and conferences have been held with the representatives of the Medicaid programs of the states of Florida, Texas and New Jersey. Another meeting is scheduled for August 21, 1997 with representatives of the Medicaid program for Alabama. Preliminary

8/20/97

discussions have been held with representatives of the Medicaid programs of other states as well. The meetings have been productive, particularly with regard to enlisting the aid of each state in searching for relevant information and data.

A first wave of documentary evidence was recently received from the State of Texas. The documents relate to representations made by several of the defendants to the Texas Medicaid program with regard to their drug prices. Those documents have been reviewed and follow-up discussions have been held to request additional materials from Texas which are maintained in archives which were not as easily accessible as the first group of documents.

The State of Florida has provided the United States with computer data regarding the billings which it has received for many of the drugs at issue. Although the computer information was analyzed in part and was very helpful, the analysis could not be completed because the data needed to be revised. The revised data has not yet been received and further analysis has been delayed.

Most importantly, the Health and Human Services Office of Inspector General is in the process of preparing "Inspector General" subpoenas for service upon each of the named defendants. The subpoenas are currently being reviewed for approval by the appropriate officials in Washington, D.C. Once the subpoenas have been approved, it is anticipated that they will be quickly

issued and served upon each of the 24 defendants. The subpoenas will seek, among other things, documents which reflect the prices at which the drugs were actually sold as well as all communications with any Medicaid program regarding price representations. Also, the subpoenas are not going to be "broad-sides" seeking hundreds of thousands of pages of documents, but instead, targeted requests that relate directly to the evidence provided by Florida and Texas Medicaid. Receipt of corroborating evidence, pursuant to the subpoenas, will greatly advance the investigation and will enable the United States to narrowly tailor the issues relevant to the intervention decision..


Most recently, the Plaintiff in this action has now filed a Second Amended Complaint. The Second Amended Complaint has expanded the allegations from 105 to 222 pages and names a total of 24 pharmaceutical companies as defendants. The Court previously extended the seal in this matter through August 19, 1997 based upon the government's need for additional time to investigate this complicated and difficult case. As set forth in the Relator's motion accompanying the Second Amended Complaint, the filing of the second amended complaint has thereby triggered a new 60-day evaluatory period for the government. The United States will endeavor to comply with the new deadline set thereby.


Respectfully submitted,

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CERTIFICATE OF SERVICE

IT IS HEREBY certified that a true and correct copy of the foregoing was mailed this 20th day of March, 1997 to:

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ASSISTANT UNITED STATES ATTORNEY

sent and signed 20, 1997